

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Exempt Action Final Regulations

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CHAPTER 21.  
BOARD OF ACCOUNTANCY REGULATIONS.

PART I.  
DEFINITIONS AND FEES.

**18 VAC 5-21-10. Definitions.**

The following words and terms when used in this chapter have the following meanings, unless the context clearly indicates otherwise:

"Accredited institution" means any degree-granting college or university accredited at the time of the applicant's degree or attendance by any of the following: Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, and Western Association of Schools and Colleges.

"Assurance" means any act or action, whether written or oral, expressing an opinion or conclusion about the reliability of a financial statement or about its conformity with any financial accounting principles or standards.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 “Audit” means expressing an opinion about the fairness of presentation of financial statements in  
2 accordance with prescribed criteria.

3

4 “Board” means the Board of Accountancy.

5

6 “Certify,” “audit,” “examine,” “review,” or “express or disclaim an opinion,” when referenced to  
7 financial information or the practice of public accountancy, are terms which, when used in connection  
8 with the issuance of reports, state or imply assurance of conformity with generally accepted accounting  
9 principles, generally accepted auditing standards, and review standards. The terms include forms of  
10 language disclaiming an opinion concerning the reliability of the financial information referred to or  
11 relating to the expertise of the issuer.

12

13 “Client” means a person or entity that contracts with or retains a firm for performance of services by a  
14 CPA certificate holder or registration certificate holder subject to Chapter ~~2044~~ (§ 54.1-~~20004400~~400 et seq.)  
15 of Title 54.1 of the Code of Virginia and this chapter.

16

17 “Commission” means compensation generated from the purchase or sale of a product or service and  
18 which would not be generated but for the purchase or sale of the product or service.

19

20 “Contact hour” means 50 minutes of participation in a group program or 50 minutes of average  
21 completion time in a self-study program.

22

23 “Contingent fee” means a fee established for the performance of a service pursuant to an arrangement  
24 in which no fee will be charged unless a specified finding or result is obtained, or in which the amount of

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 the fee is dependent upon the finding or result obtained. Fees shall not be considered contingent if fixed  
2 by courts or other public authorities, or in tax matters if determined based on the results of judicial  
3 proceedings or the findings of governmental agencies. A CPA certificate holder's fees may vary  
4 depending on the complexity of services rendered, and such variation shall not be considered a contingent  
5 fee.

6  
7 “Continuing Professional Education (CPE)” means an integral part of the lifelong learning required to  
8 provide competent service to the public; the formal set of activities that enables accounting professionals  
9 to maintain and increase their professional competence.

10

11 “CPA certificate” means a certificate as a certified public accountant (CPA) issued by the board  
12 pursuant to Chapter ~~2044~~ (§ 54.1-~~2000~~4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter,  
13 which shall function as a license, or a corresponding certificate as a certified public accountant issued  
14 after meeting examination and other requirements under the laws of any other state.

15

16 “CPA wall certificate” means the symbolic document suitable for wall display that is issued by the  
17 board to an individual meeting the requirements for a CPA certificate set forth in 18 VAC 5-21-30.

18

19 “CPE reporting year” means for the purposes of this chapter a calendar year.

20

21 “CPE reporting cycle” means the three CPE reporting years immediately preceding the year the CPA  
22 certificate is renewed pursuant to 18 VAC 5-21-80.

23

24 “Credit hour” means successful completion of a course of study measured in a contact hour.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1

2 “Examination” means, when used in the context of services provided by CPAs, expressing an opinion  
3 about the fairness of presentation of financial information in accordance with prescribed criteria.

4

5 “Financial statement” means writing or other presentation, including accompanying notes, which  
6 presents, in whole or in part, historical or prospective financial position, results of operations or changes  
7 in financial position of any person, corporation, partnership or other entity.

8

9 “Firm” means a sole proprietorship, partnership, corporation, limited liability company, limited liability  
10 partnership, or any other form of organization permitted by law.

11

12 “Good character” means a lack of a history of dishonest or felonious acts.

13

14 “Group program” means an educational process designed to permit a participant to learn a given subject  
15 through interaction with an instructor and other participants.

16

17 “Interactive self-study program” means a program using interactive learning methodologies simulating  
18 a classroom learning process by employing software, other courseware, or administrative systems and  
19 providing significant ongoing, interactive feedback to the learner regarding his learning process.

20 Substantial written or electronic evidence of satisfactory completion of each program segment by the  
21 learner is required. Interactive self-study programs must clearly define lesson objectives and manage  
22 students through the learning process by requiring frequent student response to questions that test for  
23 understanding of the material presented, providing evaluative feedback to incorrectly answered questions,  
24 and providing reinforcement feedback to correctly answered questions. Capabilities must, based on

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 student response, provide appropriate ongoing written or electronic format feedback to the student  
2 regarding his learning progress through the program.

3

4 “Noninteractive self-study program” means any self-study program that does not meet the criteria for  
5 interactive self-study programs.

6

7 “Original CPA certificate” means a CPA certificate issued by the board other than a CPA certificate by  
8 endorsement.

9

10 “Peer review” means a study, appraisal, or review, by a CPA certificate holder who is not affiliated  
11 with the firm being reviewed, of one or more aspects of the professional work of a firm that engages in  
12 the practice of public accounting or compiles financial statements in accordance with the American  
13 Institute of Certified Public Accountants’ Statements on Standards for Accounting and Review Services  
14 (SSARS).

15

16 “Practice of public accountancy” or “public accounting” means the giving of an assurance, in a report  
17 or otherwise, whether expressly or implicitly, unless this assurance is given by an employee to his  
18 employer.

19

20 “Practice of taxation” means the providing of tax compliance and tax advice services.

21

22 “Registration” means the process through which a firm obtains a registration certificate from the board.

23

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 “Registration certificate” means a certificate issued to a firm that has met all of the requirements for  
2 registration under this chapter.

3

4 “Regulant” means any CPA certificate holder or registration certificate holder who is subject to Chapter  
5 ~~2044~~ (§ 54.1-~~2000~~4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter.

6

7 “Renewal month” means the month of the calendar year in which a firm is required to renew its  
8 registration certificate.

9

10 “Report” or “reports,” when used with reference to financial statements, means an opinion or disclaimer  
11 of opinion or other form of language or representation that states or implies any form of assurance or  
12 denial of assurance.

13

14 “Self-study program” means an educational process designed to permit a participant to learn a given  
15 subject without major involvement of an instructor. Self-study programs do not include informal  
16 learning.

17

18 “SSARS” means Statements on Standards for Accounting and Review Services established by the  
19 American Institute of Certified Public Accountants.

20

21 “Standards of conduct” means the standards set forth in 18 VAC 5-21-120.

22

23 “Standards of practice for CPA certificate holders” means the standards set forth in 18 VAC 5-21-130,  
24 18 VAC 5-21-140 and 18 VAC 5-21-150.

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Exempt Action Final Regulations

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2 “State” means any state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin  
3 Islands and Guam.

4

5 “Substantial equivalency” means a determination by the board or its designee that the education,  
6 examination and experience requirements contained in the statutes and administrative rules of another  
7 jurisdiction are comparable to, or exceed, the education, examination and experience requirements  
8 contained in this chapter, or that an individual CPA from another jurisdiction has met education,  
9 examination and experience requirements that are comparable to, or exceed, the education, examination,  
10 and experience requirements contained in Chapter ~~2044~~ (§ 54.1-~~20004400~~ et seq.) of Title 54.1 of the  
11 Code of Virginia and this chapter.

12

13 **18 VAC 5-21-20. Fees.**

14

15 A. All fees are nonrefundable and the date of receipt by the board or its agent is the date that will be  
16 used to determine whether it is on time.

17

18 B. The following fees shall apply:

19

Original CPA certificate application	\$24
CPA certificate by endorsement application	\$24
Registration certificate application	\$24
CPA certificate renewal	\$24

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

Registration certificate renewal	\$24
CPA certificate late renewal	\$25
Registration certificate late renewal	\$25
CPA certificate reinstatement	\$60
Registration certificate reinstatement	\$60

1

2

If the renewal fee is not received by the board within 30 days after the expiration date printed on the CPA certificate or the registration certificate, the regulant shall pay the renewal and the late renewal fees. Regulants applying for reinstatement shall pay all unpaid renewal fees in addition to the late renewal and the reinstatement fees.

3

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6

7

C. The late filing fee for CPA certificate holders who fail to complete or report their CPE as required by this chapter shall be:

8

9

10

1. If received by the board up to four months late, \$25.

11

12

2. If received by the board more than four months late but not more than six months late, \$50.

13

14

3. If received by the board more than six months late, \$75.

15

16

D. The fee for a replacement wall certificate shall be \$25.

17

18

E. A fee of \$25 will be charged in addition to the fees established in this section for submitting a check to the board which is dishonored by the institution upon which it is drawn.

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AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Exempt Action Final Regulations

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F. The fee for the examination provided for in 18 VAC 5-21-30 C shall consist of the contract charges. Examination service contracts shall be established through competitive negotiation in compliance with the Virginia Public Procurement Act (§ 11-35 et seq. of the Code of Virginia). The examination fee shall not exceed \$1,000.

PART II.

ENTRY REQUIREMENTS FOR CPA CERTIFICATE, REGISTRATION CERTIFICATE AND CPA SUPERVISING SERVICES INVOLVING THE PRACTICE OF PUBLIC ACCOUNTING.

**18 VAC 5-21-30. Qualifications for CPA certificate.**

- A. Each applicant must be a person of good character as defined in 18 VAC 5-21-10.
  
- B. Education prior to taking the examination.
  - 1. Each applicant whose application to sit for an examination administered prior to July 1, 2006, shall have received a baccalaureate degree or its equivalent conferred by an accredited college or university as required by § 54.1-~~2003~~4409 B 1 of the Code of Virginia and shall at the time the application is received have completed the following courses at the undergraduate or graduate level to meet the accounting concentration requirement of § 54.1-~~2003~~4409 B 1 of the Code of Virginia:

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1           a. At least 24 semester hours of accounting including courses covering the subjects of  
2           financial accounting, auditing, taxation, and management accounting; and  
3  
4           b. At least 18 semester hours in business courses (other than the courses described in  
5           subdivision 1 a of this subsection).

6  
7           An applicant whose application is received under the requirements of this subdivision may  
8           take the examination so long as the requirements of subsection C of this section are met.

- 9  
10          2. Each applicant whose application to sit for an examination administered on or after July 1,  
11          2006, shall meet the requirements of § 54.1-~~2003~~4409 B 2 of the Code of Virginia and shall  
12          at the time the application is received have completed the following courses at the  
13          undergraduate or graduate level to meet the accounting concentration requirement of § 54.1-  
14          ~~2003~~4409 B 2 of the Code of Virginia:

- 15  
16          a. At least 30 semester hours of accounting, including courses covering the subjects of  
17          financial accounting, auditing, taxation, and management accounting; and  
18  
19          b. At least 24 semester hours in business courses (other than the courses described in  
20          subdivision 2 a of this subsection).

- 21  
22          3. A quarter hour of coursework shall be considered the equivalent of two-thirds of a semester  
23          hour of coursework.

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## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1           4. Each applicant with a degree or coursework earned at a nonaccredited college or university  
2           shall, if credit for such degree or coursework is to be considered by the board, (i) have his  
3           educational credentials evaluated by an academic credentials service approved by the board  
4           or an accredited institution, as defined in 18 VAC 5-21-10, to determine the extent to which  
5           such credentials are equivalent to the education requirements set forth in subdivisions 1 and 2  
6           of this subsection and (ii) submit such evaluations to the board, which may accept or reject  
7           the evaluator's recommendations in whole or in part.
- 8
- 9           5. Evidence of having obtained the required education shall be submitted in the form of official  
10          transcripts transmitted in a manner determined by the board. In unusual circumstances, the  
11          board may accept other evidence it deems to be substantially equivalent.

12

13        C. Examination.

- 14
- 15          1. Each applicant shall pass (i) a national uniform examination, as approved by the board, in  
16          auditing, business law and professional responsibilities, accounting and reporting (taxation,  
17          managerial, governmental and not-for-profit organizations), financial accounting and  
18          reporting, and other such related subject areas as deemed appropriate by the board and (ii) an  
19          ethics examination approved by the board. Each part of the examination must be passed with  
20          a minimum grade established by the board based upon the recommendation of a  
21          psychometrician who has determined the valid passing grade by conducting a scientific  
22          analysis of the examination.
- 23

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1           2. If at a given sitting of the examination an applicant passes two or more but not all sections,  
2           then the applicant shall be given credit for those sections that the applicant has passed and  
3           need not sit for reexamination in those sections provided the following conditions are met:  
4
- 5           a. At that sitting, the applicant wrote all sections of the examination for which the applicant  
6           did not have credit;  
7
- 8           b. The applicant attained a minimum grade of 50 on each section taken at that sitting when  
9           the first two sections were passed and in each subsequent sitting attains a minimum grade  
10          of 50 on all sections taken at that sitting;  
11
- 12          c. The applicant passes the remaining sections of the examination within six consecutive  
13          examinations (irrespective of the date on which the examination credit was earned) given  
14          after the one at which the first sections were passed; and  
15
- 16          d. At each subsequent sitting at which the applicant seeks to pass any additional sections,  
17          the applicant writes all sections for which the applicant does not have credit.  
18
- 19          3. The board may, at its discretion, waive any of the above requirements for carryover  
20          examination credits, if such waiver is in the public interest.  
21
- 22          4. Each applicant shall follow all rules and regulations established by the board with regard to  
23          conduct at the examination. Such rules shall include instructions communicated prior to the

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1 examination date and instructions communicated at the examination site on the date of the  
2 examination.
- 3
- 4 5. Failure to comply with the rules and regulations governing conduct in the examination may  
5 result in the loss of established eligibility to sit for the examination or credit for examination  
6 parts passed.
- 7
- 8 6. An applicant to sit for the examination shall obtain an application form from the board or  
9 its designee, complete the application in accordance with the instructions on the  
10 application, and submit the application together with all required documents to the board or  
11 its designee by the date determined by the board or its designee.
- 12
- 13 7. An applicant who fails to appear for the examination or reexamination shall forfeit the fees  
14 charged for that examination or reexamination unless excused by the board.
- 15
- 16 8. The fee to sit for the examination is established in 18 VAC 5-21-20 F, whether paid directly  
17 to the board or to a designee under contract to the board.
- 18

## D. Experience.

- 19
- 20
- 21 1. Each applicant for initial issuance of a CPA certificate under this section shall provide  
22 documentation of having met the experience requirements established by § 54.1-~~2003~~4409 C  
23 of the Code of Virginia, which requires at least one year of acceptable experience in  
24 accounting or a related field. The experience may include providing any type of service or

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1           advice involving the use of accounting, management, financial, tax, or consulting advisory  
2           skills or services. Acceptable experience shall include employment in government, industry,  
3           academia or public accounting or related services. The applicant's experience may be  
4           supervised by a non-CPA certificate holder, although, when completing the application for  
5           the CPA certificate, the experience must be verified by a CPA certificate holder.

- 6
- 7           2. One year of experience shall consist of full- or part-time employment that extends over a  
8           period of no less than a year and no more than three years and includes no fewer than 2,000  
9           hours of performance of services described in subdivision 1 of this subsection.

10

11   **18 VAC 5-21-40. Issuance of original CPA certificate; CPA certificate by endorsement; and**  
12   **substantial equivalency.**

13

14           A. Practicing as a CPA in the Commonwealth of Virginia. Only an individual who (i) holds a valid  
15           CPA certificate or (ii) meets the substantial equivalency requirements in this section may practice  
16           as a CPA in the Commonwealth of Virginia.

17

18           B. Original CPA certificate.

- 19
- 20           1. Each individual who desires to use the CPA designation shall first obtain a CPA certificate.
- 21
- 22           2. Each applicant for an original CPA certificate shall submit an application, on a form provided  
23           by the board, which shall document that the requirements of 18 VAC 5-21-30 have been met.  
24           If the application is received by the board three or more years after the successful completion

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 of the CPA examination by the applicant, the applicant shall, in addition, submit evidence of  
2 having met the CPE requirements set forth in 18 VAC 5-21-170 A 3 or B 3. Each applicant  
3 shall agree to comply with the statutes and regulations of any other state in which he is  
4 authorized to practice.

5

6 3. Each application for an original CPA certificate shall be accompanied by the fee established  
7 in 18 VAC 5-21-20.

8

9 C. CPA certificate by endorsement.

10

11 1. Each individual who holds a CPA certificate in a state other than Virginia and either (i) has  
12 moved his principal place of business to Virginia or (ii) does not meet the substantial  
13 equivalency provision outlined in subsection G of this section must obtain a CPA certificate  
14 by endorsement prior to practicing as a CPA in Virginia.

15

16 2. Each applicant for a CPA certificate by endorsement shall submit an application, on a form  
17 provided by the board, which shall document that the applicant holds a corresponding CPA  
18 certificate as a certified public accountant issued after meeting examination and other  
19 requirements under laws of the state(s) from which the applicant is seeking a CPA certificate  
20 by endorsement. The application shall include the following:

21

22 a. From each state from which the applicant has received a CPA certificate (or from the  
23 applicant directly if the state is unable to provide the information), a written statement  
24 from the board of each state confirming that the applicant (i) is in good standing in that

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 state; (ii) has not been found guilty of violating that state's standards of conduct or  
2 practice; (iii) has no pending actions alleging violations of that state's standards of  
3 conduct or practice; (iv) has met the education requirements in effect in that state when  
4 the applicant passed the national uniform examination described in 18 VAC 5-21-30 C;  
5 and (v) has met the experience requirement for a CPA certificate in effect in Virginia  
6 when the CPA certificate by endorsement application is received by the board. An  
7 applicant who holds a CPA certificate from a state that the board has determined meets  
8 the substantial equivalency provision set forth in § 54.1-~~2004.14411~~ of the Code of  
9 Virginia shall be considered to have met the requirements of clauses (iv) and (v) of this  
10 paragraph.

- 11
- 12 b. A written statement from the applicant affirming that the applicant has (i) not violated the  
13 board's standards of conduct or standards of practice and (ii) met the board's continuing  
14 education requirements.

15

16 The board may deny the application for a CPA certificate by endorsement if the applicant is  
17 not in good standing in the other states which have issued CPA certificates to the applicant or  
18 if any information from the applicant indicates a failure to comply with the aforementioned  
19 standards.

- 20
- 21 3. Each application for a CPA certificate by endorsement shall be accompanied by the fee  
22 established in 18 VAC 5-21-20.
- 23

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 D. Each CPA certificate holder shall have the privilege of using the CPA designation provided the  
2 CPA certificate holder complies with the (i) standards of conduct, (ii) standards of practice, and  
3 (iii) the renewal requirements established by the board. Upon expiration of the CPA certificate,  
4 the CPA certificate holder shall cease displaying the CPA certificate and the wall certificate, and  
5 shall cease affixing and using the CPA designation in any manner.

6  
7 E. All CPA certificate holders who supervise services involving the practice of public accountancy  
8 and who sign or authorize another to sign the report on the financial statements on behalf of the  
9 firm shall meet the experience requirement established in 18 VAC 5-21-50.

10  
11 F. CPA certificates issued under the provisions of this chapter shall expire one year from the last day  
12 of the month wherein the initial CPA certificate was issued and shall be renewed in compliance  
13 with 18 VAC 5-21-80.

14  
15 G. Privilege to practice without a CPA certificate by endorsement, substantial equivalency.

16  
17 1. A holder of a CPA certificate from a state other than Virginia and with a principal place of  
18 business in a state other than Virginia shall either obtain a CPA certificate by endorsement as  
19 outlined in subsection C of this section or meet the substantial equivalency requirements of  
20 this subsection before beginning CPA practice in Virginia.

21  
22 2. To implement the provisions of § 54.1-~~2004-14411~~4411 A of the Code of Virginia, the privilege to  
23 practice under substantial equivalency shall be evidenced by the following:

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## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1           a. If the individual's CPA certificate is issued by a state that the board has determined is  
2           substantially equivalent, the CPA certificate issued by that state shall constitute evidence  
3           of the privilege to practice.  
4
- 5           b. If the individual's CPA certificate is issued by a state that the board has determined is not  
6           substantially equivalent, the CPA certificate holder shall notify the board in writing that  
7           he intends to practice in the Commonwealth and shall provide documentation acceptable  
8           to the board that he has personally satisfied the requirements for substantial equivalency.  
9           An approval letter from the board shall constitute evidence of the privilege to practice.  
10
- 11          c. A CPA certificate by endorsement shall be obtained if the CPA exercising the privilege to  
12          practice under substantial equivalency moves his principal place of business to Virginia  
13          or ceases to have an office in any other state.  
14
- 15          3. For the purposes of implementing § 54.1-~~2004.1441~~1441 B 2 of the Code of Virginia relating to  
16          the privilege of practicing public accounting extended to nonresident CPA certificate holders,  
17          the board shall determine the state to be served based on whose statutes and regulations most  
18          closely correspond to those of the Commonwealth of Virginia.  
19
- 20          4. The board shall determine whether a state meets the substantial equivalency provisions for  
21          nonresident CPA certificate holders by periodically obtaining, reviewing and approving a list  
22          of states, which in the opinion of the board, meet the substantial equivalency provisions for  
23          nonresident CPA certificate holders.  
24

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 **18 VAC 5-21-50. Additional requirements for CPAs who supervise services involving the practice**  
2 **of public accountancy and who sign or authorize another to sign reports on financial statements.**

- 3
- 4 A. To implement the provisions of § 54.1-~~2005~~4412 C 7 of the Code of Virginia, any individual
- 5 CPA certificate holder who is responsible for supervising services involving the practice of
- 6 public accounting, and who signs or authorizes another person to sign on behalf of the firm the
- 7 financial statement resulting from the practice of public accounting, shall meet the requirements
- 8 set forth in subsection B of this section.

9

10 Nothing in this section is intended to proscribe an individual who does not have a CPA

11 certificate from affixing his signature to any statement or report for his employer's internal or

12 management use and designating his position, title or office.

13

14 B. Requirements.

- 15
- 16 1. CPA certificate. Any individual desiring to supervise public accountancy services as
- 17 described in subsection A of this section shall hold a currently valid CPA certificate issued by
- 18 this board or shall be in compliance with the substantial equivalency requirements in 18 VAC
- 19 5-21-40 G.
- 20
- 21 2. Experience. In addition to the one year of experience required to receive a CPA certificate,
- 22 such individual shall have completed one year of additional experience in the practice of
- 23 public accounting, as defined in 18 VAC 5-21-10, with not less than 600 of these hours in the
- 24 performance of audits if the services involve an audit or not less than 600 of these hours in

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1           the performance of reviews or audits if the services involve a review but not an audit. One  
2           year of experience shall consist of no fewer than 2,000 hours of full- or part-time  
3           employment that extends over a period of no less than one year and no more than three years.  
4           The experience must have been gained under the direct supervision of a CPA licensed in any  
5           state. Persons who held a license, as defined in the board’s regulations effective on April 1,  
6           1997, issued by the board and in effect on October 4, 1999, shall be deemed to have met this  
7           experience requirement.

8

9   **18 VAC 5-21-60. Registration of firms.**

10

11           A. To implement the provisions of § 54.1-~~2005~~4412 B of the Code of Virginia, any firm with one or  
12           more offices in the Commonwealth that practices, directly or indirectly, public accounting or that  
13           uses the term “Certified Public Accountant(s)” or the designation “CPA” in the name of the firm  
14           shall register with the board.

15

16           B. To implement the provisions of § 54.1-~~2005~~4412 C of the Code of Virginia, any firm with an  
17           office in the Commonwealth providing or offering to provide services involving the practice of  
18           public accounting shall be issued a registration certificate by the board upon its application and  
19           payment of the required fee provided the firm is in compliance with § 54.1-~~2005~~4412 C of the  
20           Code of Virginia.

21

22           1. Each firm shall submit an application on forms provided by the board, which shall contain  
23           the following:

24

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1           a. A statement that the applicant is registering pursuant to § 54.1-~~2005~~4412 B of the Code  
2           of Virginia and has complied with each of the requirements of § 54.1-~~2005~~4412 C of the  
3           Code of Virginia.

4  
5           b. An affirmation of the peer review as required by 18 VAC 5-21-70.

6  
7           c. The designation of a CPA certificate holder that will be the primary contact for the firm,  
8           including a firm with multiple offices.

9  
10          2. To implement § 54.1-~~2005~~4412 C 3 of the Code of Virginia, all non-CPA owners shall work  
11          in the firm. “Work in the firm” means that the non-CPA owner works full time for the firm  
12          (at least 1,000 hours a year), and that retirees and owners no longer working full time shall  
13          have 12 months from the last day of their full-time involvement with the firm to dispose of  
14          their interest. Heirs shall have 24 months from the time they receive their bequest or  
15          inheritance in which to dispose of the ownership interest.

16  
17          C. To implement § 54.1-~~2005~~4412 D of the Code of Virginia, any firm with an office in the  
18          Commonwealth that is not engaged in the practice of public accounting but uses the term  
19          “Certified Public Accountant” or the “CPA” designation in its name shall be issued a registration  
20          certificate by the board upon its application and payment of the required fee provided the firm is  
21          in compliance with § 54.1-~~2005~~4412 C 1, 2, 3, and 8 of the Code of Virginia.

22  
23          1. Such firm shall submit an application provided by the board that shall contain the following:  
24

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1           a. A statement that the applicant is registering pursuant to § 54.1-~~2005~~4412 D of the Code  
2           of Virginia and has complied with each of the requirements set forth in § 54.1-~~2005~~4412  
3           D of the Code of Virginia.
- 4
- 5           b. A statement that the firm has or has not compiled financial statements, which, as  
6           required by SSARS and § 54.1-~~2006~~4413 of the Code of Virginia, shall be prepared in  
7           compliance with SSARS.
- 8
- 9           c. If the firm has compiled financial statements in accordance with SSARS, an affirmation  
10          of the peer review as required by 18 VAC 5-21-70.
- 11
- 12          d. The designation of a CPA certificate holder that will be the primary contact for the firm,  
13          including a firm with multiple offices.
- 14
- 15          2. To implement § 54.1-~~2005~~4412 C 3 of the Code of Virginia, all non-CPA owners shall work  
16          in the firm. “Work in the firm” means that the non-CPA owner works full time for the firm  
17          (at least 1,000 hours a year), and that retirees and owners no longer working full time shall  
18          have 12 months from the last day of their full-time involvement with the firm to dispose of  
19          their interest. Heirs shall have 24 months from the time they receive their bequest or  
20          inheritance in which to dispose of the ownership interest.
- 21
- 22          D. The fee for a registration certificate is set forth in 18 VAC 5-21-20.
- 23

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 E. Pursuant to § 54.1-~~2005~~4412 C 6 of the Code of Virginia, all firms required to obtain registration  
2 certificates shall meet the standards set forth in 18 VAC 5-21-160.

3  
4 F. Each registration certificate shall expire two years from the last day of the month wherein issued  
5 and shall be renewed in compliance with 18 VAC 5-21-80.

6  
7 **18 VAC 5-21-70. Peer review.**

8  
9 A. To implement the provisions of § 54.1-~~2005~~4412 C 5 and D 2 of the Code of Virginia, firms  
10 meeting the requirements set forth in this section shall provide the board with evidence, as  
11 described in subsection E of this section, that the firm has undergone, no less frequently than every  
12 three years, a peer review. Each peer review shall be performed and reported in accordance with  
13 standards that are no less stringent than the peer review program of the American Institute of  
14 Certified Public Accounts. Prior to its use by a registrant's reviewer, the board must approve a peer  
15 review program other than the peer review program of the American Institute of Certified Public  
16 Accountants. Firms not required to register with the board are not required to comply with the peer  
17 review requirement.

18  
19 B. If a firm performs the services described in subsection D of this section, a peer review is required  
20 and the firm shall provide an affirmation of such peer review to the board in accordance with the  
21 dates set forth in subsection C of this section. The nature of the review will be determined based on  
22 the peer review selection criteria, which criteria shall consider the highest level of service provided  
23 and shall be no less stringent than the criteria of the peer review program of the American Institute  
24 of Certified Public Accountants (Standards for Performing and Reporting on Peer Reviews,

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 effective January 1999, American Institute of Certified Public Accountants). The date of the year-  
2 end used for the peer review shall not be more than 48 months prior to the month of the initial  
3 registration or the renewal month for a renewal registration.

4  
5 C. Applicable dates.

- 6  
7 1. An affirmation of a peer review is not required for an initial or renewal application for a  
8 registration certificate filed prior to July 1, 2002.
- 9  
10 2. Initial or renewal applications due after June 30, 2002, are required to include an affirmation  
11 of a peer review except that a firm first initiating services requiring a peer review after July 1,  
12 1999, shall comply with the peer review requirement within three years after first initiating  
13 services requiring a peer review. Affirmation of a timely peer review shall be provided with  
14 the initial or first renewal application immediately following the aforementioned three-year  
15 period.

16  
17 D. The nature of the services requiring a peer review and the nature of such reviews are set forth in  
18 this subsection.

- 19  
20 1. System review. This review applies to firms that perform engagements governed by the  
21 Statements on Auditing Standards (SASs) or examinations of prospective financial  
22 information under the Statements on Standards for Attestation Engagements (SSAEs), as  
23 established by the American Institute of Certified Public Accountants, or the Government  
24 Auditing Standards (the Yellow Book) issued by the U.S. General Accounting Office (GAO).

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

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2. Engagement review. This review is required for firms that are not required to have a system review and who are not eligible to have a report review as described in subdivision 3 of this subsection. It applies to registered firms that do not perform engagements in accordance with SASs or examinations of prospective financial statements under the SSAEs but do perform engagements in accordance with the Statements on Standards for Accounting and Review Services (SSARSs) or review engagements in accordance with the SSAEs, both as established by the American Institute of Certified Public Accountants.

3. Report review. This review applies to firms that only perform compilations, as described in the SSARSs, that omit substantially all disclosures.

E. Required affirmation of peer review. The applicant for an initial or a renewal registration certificate shall include an affirmation with the application that the firm (i) has complied with the peer review provisions in § 54.1-~~2005~~4412 C of the Code of Virginia and with the provisions of this section; (ii) has received a final acceptance letter from the entity administering the peer review program; and (iii) will maintain its peer review documents until the later of the date of the final acceptance letter for its next peer review or four years. The board reserves the right to request a copy of the peer review report or any other document relating to the peer review program.

F. Final acceptance letter not available. If an applicant for registration cannot provide a final letter of acceptance indicating that the peer review is complete, then the applicant shall file the application with (i) a copy of the “subject to” acceptance letter and other relevant documents that explain the reasons why a final acceptance letter was not issued and (ii) a statement setting forth the registrant’s

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 plan of action that will enable the registrant to receive a final acceptance letter. This submission  
2 will extend the due date of the application for six months from the original due date of the  
3 application.

## PART III.

6 RENEWAL/REINSTATEMENT OF CPA CERTIFICATE AND REGISTRATION CERTIFICATE  
7 AND OTHER GENERAL REQUIREMENTS.

9 **18 VAC 5-21-80. Requirement for renewal.**

11 A. Each CPA certificate issued under the provisions of this chapter shall be renewable for a period of  
12 one year.

14 B. Each registration certificate shall be renewable for periods of two years.

16 C. Registration certificates issued to professional corporations and professional limited liability  
17 companies in accordance with the regulations of the board in effect beginning on April 1, 1997,  
18 became void on November 30, 1999.

20 D. Renewal notices will be mailed to the regulant at the last known address of record. Failure to  
21 receive written notice does not relieve the regulant of the requirement to renew and pay the  
22 required fee. The date the board receives the renewal notice and fee shall determine whether other  
23 fees established by 18 VAC 5-21-20 are payable. Fees shall not be refunded or prorated.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 E. Fees for renewal of a CPA certificate and a registration certificate are established in 18 VAC 5-21-  
2 20.

3

4 F. Representations. An individual holding a CPA certificate issued by the board shall submit a  
5 renewal application provided by the board, which application shall contain a statement that the  
6 applicant has (i) complied with the board's standards of conduct and applicable standards of  
7 practice; (ii) met the applicable CPE requirements set forth in 18 VAC 5-21-170 for the three years  
8 prior to the year the renewal application is submitted; and (iii) met the requirements set forth in  
9 18 VAC 5-21-50 B if the CPA certificate holder is responsible for supervising services involving  
10 the practice of public accounting, and signs or authorizes another person to sign the accountant's  
11 report on the financial statement on behalf of the firm.

12

13 A firm holding a registration certificate issued by the board shall submit (i) a renewal application  
14 provided by the board affirming that it continues to meet the standards set forth in 18 VAC 5-21-60  
15 and (ii), in the case of firms subject to the peer review requirement set forth in 18 VAC 5-21-70, an  
16 affirmation that it has undergone, no less frequently than once every three years, a peer review.

17

18 G. If the required renewal fee is received more than 30 days after the expiration date but within one  
19 year after the expiration date, a late fee will be charged in addition to the renewal fee as provided  
20 for in 18 VAC 5-21-20.

21

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Exempt Action Final Regulations

1 **18 VAC 5-21-90. Requirement for reinstatement.**

2

3 A. In addition to meeting the requirements for renewal set forth in 18 VAC 5-21-80, a regulant shall  
4 comply with the following requirements if the regulant fails to renew within 12 months after the  
5 expiration of the applicable certificate:

6

7 1. If the regulant fails to renew his CPA certificate or registration certificate within 12 months  
8 following its expiration or voluntary termination by the holder of a CPA certificate or registration  
9 certificate, he will be required to present reasons for reinstatement.

10

11 2. No application for reinstatement shall be considered while the petitioner is under sentence for  
12 criminal offense related to the practice of accountancy, including any period during which the  
13 petitioner is on probation or parole for such offense.

14

15 3. Reinstatement fees, which are nonrefundable and shall not be prorated, are established in 18 VAC  
16 5-21-20.

17

18 4. Applicants for reinstatement of the CPA certificate shall affirm on a form provided by the board  
19 that they continue to meet the standards for entry as set forth in 18 VAC 5-21-30, and for renewal  
20 as set forth in 18 VAC 5-21-80. Applicants for reinstatement of the registration certificate shall  
21 affirm on a form provided by the board that they continue to meet the standards of conduct and  
22 applicable standards of practice, and the renewal requirements set forth in 18 VAC 5-21-80.

23

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1           5. If the regulant has failed to renew his CPA certificate or registration certificate for a period of 12  
2           months or longer, a reinstatement fee as set forth in 18 VAC 5-21-20 shall be due in addition to  
3           the renewal fee and late renewal fee established in 18 VAC 5-21-20.

4  
5           6. The renewal fee and late renewal fee for each renewal period in which the regulant failed to  
6           renew his CPA certificate or registration certificate shall be paid as set forth in 18 VAC 5-21-20.

7  
8           B. If the requirements set forth in subsection A are not met, the board shall advise the applicant that  
9           reinstatement has been denied and the reasons for the denial. The reinstatement request may be  
10          resubmitted when the applicant believes the matters affecting the reinstatement application have  
11          been satisfactorily resolved. The reinstatement applicant may request a proceeding in accordance  
12          with the provisions of the Administrative Process Act (§ ~~9-6.14:4-12.2-4000~~ et seq. of the Code of  
13          Virginia).

14  
15       **18 VAC 5-21-100. Status of certificate holder during the period prior to reinstatement.**

16  
17          A regulant who is reinstated shall be regarded as having been a regulant continuously without  
18          interruption. Therefore, the regulant shall remain under the disciplinary authority of the board during this  
19          entire period and may be held accountable for his activities during this period. A regulant who is not  
20          reinstated shall be regarded as unlicensed from the expiration date of the CPA certificate or registration  
21          certificate forward. Nothing in this chapter shall divest the board of its authority to discipline a regulant  
22          for a violation of the law or regulations during the period of time for which the regulant held a CPA  
23          certificate or registration certificate.

24

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Exempt Action Final Regulations

1 **18 VAC 5-21-110. Notification of change of address or name, response to board communication.**

2

3 A. Each regulant shall notify the board in writing within 30 days of any change of address or name.

4

5 B. Each regulant shall respond within 30 days to any request for information made by the board.

6

7

PART IV.

8

STANDARDS OF CONDUCT.

9

10 **18 VAC 5-21-120. Standards of conduct for all regulants.**

11

12 A. Responsibilities. A regulant shall exercise sensitive professional and moral judgment in all  
13 activities.

14

15 B. Public interest. A regulant shall act in a way that serves the public interest, honors the public trust,  
16 and demonstrates commitment to professionalism.

17

18 C. Integrity and objectivity. A regulant shall perform all professional responsibilities with the highest  
19 sense of integrity, maintain objectivity and freedom from conflicts of interest in discharging  
20 professional responsibilities, and avoid knowingly misrepresenting facts or inappropriately  
21 subordinating his judgment to others.

22

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1 D. Independence. A CPA certificate holder and registration certificate holder shall be independent in  
2 fact and appearance when offering to provide or providing services pursuant to the standards listed  
3 in the definition of “standards of practice for CPA certificate holders.”  
4
- 5 E. Professional competence. A regulant shall undertake only those professional services that can  
6 reasonably be expected to be completed with professional competence.  
7
- 8 F. Due professional care. A regulant shall exercise due professional care in the performance of  
9 professional services.  
10
- 11 G. Planning and supervision. A regulant shall adequately plan and supervise the performance of  
12 professional services.  
13
- 14 H. Sufficient relevant data. A regulant shall obtain sufficient relevant data to afford a reasonable basis  
15 for conclusions or recommendations in relation to any professional services performed.  
16
- 17 I. Accounting principles. A CPA certificate holder shall not express an opinion or state affirmatively  
18 that financial statements or other financial data of any entity are presented in conformity with  
19 generally accepted accounting principles or state that the CPA certificate holder is not aware of any  
20 material modifications that should be made to such statements or data in order for them to be in  
21 conformity with generally accepted accounting principles, if such statements or data contain any  
22 departure from any of the standards described in the definition of the “standards of practice for  
23 CPA certificate holders” that has a material effect on the statements or data taken as a whole with  
24 the following exception: the CPA certificate holder can demonstrate that, due to unusual

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1           circumstances, the financial statements or data would otherwise have been misleading without the  
2           departure, and the approximate effects of the departure, if practicable, and the reasons why  
3           compliance with the principle would result in a misleading statement are provided in the statements  
4           or data.

5  
6           J. Confidential client information. A regulant shall not disclose any confidential client information  
7           without the specific consent of the client. This rule shall not be construed to (i) affect in any way  
8           the regulant's obligation to comply with a validly issued and enforceable subpoena or summons, or  
9           to prohibit a regulant's compliance with applicable laws and government regulations, (ii) prohibit  
10          review of a regulant's professional practice by this board, (iii) prohibit a review in conjunction with  
11          a prospective purchase, sale or merger of all or part of a regulant's practice so long as the regulant  
12          takes appropriate precautions (e.g., through a written confidentiality agreement) so that the  
13          prospective purchaser does not disclose any information obtained in the course of the review, or  
14          (iv) prohibit a review in conjunction with a peer review of a firm as provided in 18 VAC 5-21-70.  
15          The reviewers of such information shall not use to their advantage nor disclose any regulant's  
16          confidential client information that comes to their attention.

17  
18          K. Contingent fees. As provided in § 54.1-~~2007-4414~~ 4414 D 2 and 3 of the Code of Virginia, a CPA  
19          certificate holder shall not perform for a contingent fee: (i) any services for, or receive such a fee  
20          from, a client for whom the CPA certificate holder or the CPA certificate holder's firm performs  
21          services which involve the practice of public accounting, during the period when such services are  
22          being provided and during the period covered by the financial statements; or (ii) prepare an original  
23          tax return or claim for a tax refund for a contingent fee for any client.

24

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1           1. Preparation of an original tax return or claim for a tax refund includes giving advice on  
2           events that have occurred at the time the advice is given if such advice is directly relevant to  
3           determining the existence, character, or amount of a schedule, entry, or other portion of a  
4           return or claim for refund.

5  
6           2. A fee is considered determined based on the findings of governmental agencies if the regulant  
7           can demonstrate a reasonable expectation, at the time of a fee arrangement, of substantive  
8           consideration by an agency with respect to the regulant's client. Such an expectation is  
9           deemed not reasonable in the case of preparation of original tax returns.

10  
11       L. Commissions and referral fees.

12  
13           1. Prohibited commissions. As provided in § 54.1-~~2007~~4414 D 1 of the Code of Virginia, a  
14           CPA certificate holder shall not recommend to a client any product or services for a  
15           commission, or, for a commission, recommend or refer any product or service to be supplied  
16           by a client, or receive a commission when the CPA certificate holder also performs for that  
17           client any service which involves the practice of public accounting. This prohibition applies  
18           during the period in which the CPA certificate holder is providing services which involve the  
19           giving of an assurance or during the period covered by any financial statements that were  
20           prepared by the CPA certificate holder as a part of such services.

21  
22           2. Disclosure of permitted commissions. As provided in § 54.1-~~2007~~4414 E of the Code of  
23           Virginia, a CPA certificate holder who is not prohibited from accepting a commission and  
24           who is paid or expects to be paid a commission shall disclose that fact to any person or entity

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Exempt Action Final Regulations

1 to whom the CPA certificate holder recommends or refers a product or service to which the  
2 commission applies.

3  
4 3. Disclosure of referral fees. As provided in § 54.1-~~2007~~4414 F of the Code of Virginia, a  
5 CPA certificate holder who accepts a referral fee for recommending or referring any service  
6 of a CPA certificate holder shall disclose such payment to the client.

7  
8 M. Acts discreditable. A regulant shall not commit acts discreditable to the profession, as listed in §  
9 54.1-~~2006~~4413 of the Code of Virginia and this chapter.

10  
11 N. Advertising and other forms of solicitation. A regulant shall not seek to obtain clients by  
12 advertising or other forms of solicitation in a manner that is false, misleading, or deceptive, or by  
13 coercion, overreaching or harassing conduct.

14  
15 O. Form of organization and name. A regulant shall not practice under a firm name that is false,  
16 misleading or deceptive.

17  
18 PART V.  
19 STANDARDS OF PRACTICE FOR CPA CERTIFICATE HOLDERS.

20  
21 **18 VAC 5-21-130. Standards of practice for CPA certificate holders involved in the practice of**  
22 **public accounting or compiling financial statements.**

23

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 CPA certificate holders shall follow the standards, as applicable under the circumstances, set forth in  
2 this section in providing services involving the practice of public accounting or compiling financial  
3 statements:

4

5 1. Statements of Financial Accounting Standards (Volumes I and II, June 1, 2000) issued by the  
6 Financial Accounting Standards Board;

7

8 2. Accounting Principles (Volume III, June 1, 2000) promulgated by the Accounting Principles  
9 Board of the American Institute of Certified Public Accountants;

10

11 3. Accounting Principles (Volume III, June 1, 2000) promulgated by the Committee on Accounting  
12 Procedure of the American Institute of Certified Public Accountants;

13

14 4. Statements on Auditing Standards (2000 Edition) issued by the Auditing Standards Board of the  
15 American Institute of Certified Public Accountants;

16

17 5. Statements on Standards for Accounting and Review Services (January 1, 1999) issued by the  
18 American Institute of Certified Public Accountants;

19

20 6. Statements of Governmental Accounting and Financial Reporting Standards (June 30, 1999)  
21 issued by the Governmental Accounting Standards Board;

22

23 7. Statements on Governmental Auditing Standards issued by the Comptroller General of the United  
24 States;

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Exempt Action Final Regulations

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8. Statements on Standards for Attestation Engagements (January 1, 2000) issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants; and

9. Standards issued by various governmental bodies with which the auditor is required to comply.

**18 VAC 5-21-140. Standards of practice for CPA certificate holders providing tax compliance and advice.**

In addition to the standards of conduct established in 18 VAC 5-21-120, CPA certificate holders who provide tax compliance and tax advisory services shall comply with the standards as appropriate under the circumstances, set forth in the Statements on Responsibilities in Tax Practice promulgated by the Responsibilities in Tax Practice Committee and the Tax Executive Committee of the American Institute of Certified Public Accountants.

**18 VAC 5-21-150. Standards of practice for CPA certificate holders providing consulting services.**

A CPA certificate holder providing management consulting advisory services shall comply with the following standards of practice:

1. Client interest. Serve the client interest by seeking to accomplish the objectives established by the understanding with the client while maintaining integrity and objectivity.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1           2. Understanding with client. Establish with the client a written or oral understanding about the  
2           responsibilities of the parties and the nature, scope, and limitations of services to be performed,  
3           and modify the understanding if circumstances require a significant change during the  
4           engagement.
- 5
- 6           3. Communication with client. Inform the client of (i) conflicts of interest that may occur pursuant  
7           to interpretations of the standards of conduct established in 18 VAC 5-21-120; (ii) significant  
8           reservations concerning the scope of benefits of the engagement; and (iii) significant engagement  
9           findings or events.
- 10

## PART VI.

## STANDARDS OF PRACTICE FOR FIRMS HOLDING REGISTRATION CERTIFICATES.

**18 VAC 5-21-160. Standards of practice for firms holding registration certificates.**

- 16           A. Use of terms by firms. No firm having an office in Virginia shall use or assume the title or  
17           designation “certified public accountant,” “public accountant,” “CPA,” or any other title,  
18           designation, phrase, acronym, abbreviation, sign, card, or device tending to indicate that it is  
19           offering to practice or is practicing public accountancy unless at least 51% of the owners  
20           currently hold a valid CPA certificate or CPA certificate by endorsement.
- 21
- 22           B. Management of offices. Each firm’s office or offices located in Virginia that is offering services  
23           involving the practice of public accountancy shall be managed by a certified public accountant  
24           holding a valid CPA certificate.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

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C. Client's records. Upon request, a firm shall furnish to the firm's client or former client, within a reasonable time, any accounting or other record prepared by and belonging to the client, or obtained from or on behalf of the client, which the regulant or another member of his firm removed from the client or the client's premises, or had received for the client's account.

D. Ownership of regulant's working papers and records. All working papers, including but not limited to statements, programs, records, schedules, and memoranda, prepared by the regulant incident to rendering services to a client are the property of the regulant's firm absent an express agreement between the firm and the client to the contrary. Such working papers shall not be sold, transferred, or bequeathed, to anyone other than a regulant without the consent of the client, except this rule shall not be construed to (i) affect in any way the regulant's obligation to comply with a validly issued and enforceable subpoena or summons, or to prohibit a regulant's compliance with applicable laws and government regulations or (ii) prohibit a transfer to another firm licensed in Virginia in conjunction with a sale or merger of all or part of a member's practice so long as the regulant takes appropriate precautions (e.g., through a written confidentiality agreement) so that the purchaser or merging entity does not disclose any information obtained in the transaction. The purchaser or party to a merger shall not use to their advantage nor disclose any member's confidential client information that comes to their attention.

E. Peer review. If required, a firm shall comply with the peer review requirements of 18 VAC 5-21-70.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 F. Power of inspection. The board and its duly authorized agents shall have the power to inspect the  
2 work product and all supporting working papers and records of all regulants in connection with  
3 an investigation or relating to compliance with statutes and regulations.

## PART VII.

## CONTINUING PROFESSIONAL EDUCATION.

7  
8 **18 VAC 5-21-170. Continuing professional education requirements for CPA certificate applicants**  
9 **and for CPA certificate holders.**

10  
11 A. Use of CPA designation and performing services for the public.

- 12  
13 1. As provided in § 54.1-~~2004~~4410 B of the Code of Virginia, any person referring to himself as  
14 a Certified Public Accountant or “CPA,” including the use of the “CPA” title on individual  
15 business cards, letterhead and all other documents and devices except the CPA wall  
16 certificate, and who is performing or offering to perform any services involving accounting  
17 skills or auditing skills, issuing reports on financial advisory or consulting services, preparing  
18 tax returns, or furnishing advice on tax matters, for the public, shall obtain 120 hours of CPE  
19 during each CPE reporting cycle with a minimum of 20 hours per CPE reporting year. The  
20 CPA certificate holder may choose the areas of study and courses.

- 21  
22 2. Any person covered by this provision who, prior to implementation of § 54.1-~~2004~~4410 B of  
23 the Code of Virginia on October 4, 1999, provided one or more of the services described in  
24 subdivision 1 of this subsection, but was not required to obtain CPE, shall obtain at least 20

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1           hours of CPE in each of the CPE reporting years 2000, 2001 and 2002 and meet the 120-hour  
2           requirement for the CPE reporting cycle ending December 31, 2002.

3

4           3. Any person applying for a CPA certificate pursuant to 18 VAC 5-21-40 three or more years  
5           after his successful completion of the CPA examination who intends to provide the services  
6           described in subdivision 1 of this subsection shall, in addition, submit evidence of having met  
7           the 120-hour CPE requirement in subdivision 1 of this subsection as though subdivision 1 of  
8           this subsection had been applicable to the applicant during the three calendar years prior to  
9           the date of his application.

10

11           4. Any CPA certificate holder whose original CPA certification application was received by the  
12           board fewer than three years after his successful completion of the CPA examination who  
13           commences the services described in subdivision 1 of this subsection after December 31,  
14           2000, shall have obtained 40 hours of CPE within the 12 months preceding the date such  
15           services are first offered to the public and obtain the remaining 80 hours of CPE by the end of  
16           the second CPE reporting year following the date of commencing such services with no less  
17           than 20 hours in each of these two CPE reporting years.

18

19           B. Use of CPA designation and performing services other than for the public.

20

21           1. As provided in § 54.1-~~2004~~4410 C of the Code of Virginia, effective July 1, 2002, any person  
22           referring to himself as a Certified Public Accountant or “CPA,” including the use of the  
23           “CPA” title on individual business cards, letterhead and all other documents and devices  
24           except the CPA wall certificate, who is performing or offering to perform any services

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1 involving accounting skills or auditing skills, issuing reports on financial advisory or  
2 consulting services, preparing tax returns, or furnishing advice on tax matters, for an  
3 employer or other organization and not for the public, or who is employed as an educator in  
4 the field of accounting, shall meet the following CPE requirements as a condition of renewal  
5 of the person's CPA certificate: (i) for the three-year reporting period beginning July 1, 2002,  
6 a minimum of 45 credit hours with a minimum of 10 hours per year, (ii) for the three-year  
7 reporting period beginning July 1, 2005, a minimum of 90 credit hours with a minimum of 15  
8 hours per year, and (iii) for the three-year reporting periods beginning on or after July 1,  
9 2008, a minimum of 120 credit hours with a minimum of 20 hours per year. The CPA  
10 certificate holder may choose the areas of study and courses.

11

12 2. Individuals failing to meet the CPE requirements may be subject to requalification, including  
13 possible re-examination and submission of experience qualifications. The board may, at its  
14 discretion, waive or defer CPE requirements so long as such waiver or deferral is in the  
15 public interest.

16

17 3. Any person applying for a CPA certificate pursuant to 18 VAC 5-21-40 three or more years  
18 after his successful completion of the CPA examination who intends to provide the services  
19 described in subdivision 1 of this subsection shall, in addition, submit evidence of having met  
20 the CPE requirement of subdivision 1 of this subsection as though subdivision 1 of this  
21 subsection had been applicable to the applicant during the three calendar years prior to the  
22 date of his application. Furthermore, if such person obtained his CPA certificate at a time  
23 when he did not intend to provide services for the public and subsequently decides to provide  
24 for the public the services described in subdivision A 1 of this section, then such regulant

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

1           shall, prior to performing such services, meet the 120-hour requirement of subdivision A 1 of  
2           this section.

3

4       C. Use of CPA designation and not performing services.

5

6           1. Any CPA certificate holder who is not performing or offering to perform any of the services  
7           described in subdivision A 1 or B 1 of this section is not required to meet CPE requirements.

8

9           2. Any CPA certificate holder who ceases to perform services for the public shall meet the CPE  
10          requirements described in subdivision A 1 of this section for any reporting year in which he  
11          performed those services. Any CPA certificate holder who performs services for the public  
12          for less than a complete reporting cycle shall complete at least 20 hours in each reporting year  
13          that he did perform services for the public during the reporting cycle.

14

15       D. Requirements for retaining records.

16

17          1. It is the responsibility of the CPA certificate holder to retain evidence of satisfactory  
18          completion of CPE credit hours for a period of three years from the anniversary date of  
19          renewal. Such documentation shall be in the form of the certificate of completion provided  
20          by the sponsor, verification from the institution offering the course, written statement from  
21          the course provider verifying the regulant's attendance, or any other documentation deemed  
22          agreeable by the board.

23

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Exempt Action Final Regulations

- 1           2. The CPA certificate holder shall provide such documentation to the board or its authorized  
2           agent upon request.

3  
4   E. Continuing professional education credit.

- 5  
6           1. One credit hour shall be given for each 50-minute period of instruction. One semester hour  
7           of college credit is 15 CPE credit hours and one quarter hour of college credit is 10 CPE  
8           credit hours.

- 9  
10          2. A CPA certificate holder who instructs courses that qualify for CPE credit for participants  
11          will be awarded two additional hours of CPE for each credit hour of instruction. The  
12          instructor shall retain evidence to support the request for credit. The instructor shall be given  
13          no credit for subsequent sessions involving substantially identical subject matter. The credit  
14          given for instructing shall not exceed 30 credit hours per CPE reporting cycle.

- 15  
16          3. CPE credit hours for successful completion of a self-study course shall be established by the  
17          sponsor according to the type of CPE self-study program and pre-tests to determine average  
18          completion time. Interactive self-study programs shall receive CPE credit equal to the  
19          average completion time. Noninteractive self-study programs shall receive CPE credit equal  
20          to one-half of the average completion time. For example, an interactive self-study program  
21          that takes an average of two contact hours to complete shall receive two CPE credit hours,  
22          and a noninteractive self-study program that takes an average of two contact hours to  
23          complete shall receive one CPE credit hour.

24

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Exempt Action Final Regulations

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I certify that this regulation is full, true, and correctly dated.

\_\_\_\_\_

Nancy Taylor Feldman, Executive Director

Board of Accountancy

Date: \_\_\_\_\_